

## ASX MARKET ANNOUNCEMENT

25 July 2023

### PROJECT CONSTRUCTION UPDATE & GUIDANCE

- **Civic Heart (South Perth) anticipated to complete prior to FY24 end.**
- **Civic Heart sales now \$225 million.**
- **Aurora (Applecross) anticipated to complete prior to FY24 end.**
- **Aurora sales now \$55 million.**
- **The Point (Rivervale) anticipated to complete 1H FY25.**
- **The Point sales now \$75 million.**
- **Construction cost stability returning**
- **\$574 million in project end sales expected to be completed in FY24**
- **Company expected to report a \$2.75 million profit after tax for year ended 30 June 2023.**

**Perth, 25 July 2023:** Western Australia's leading apartment developer, Finbar Group Limited (ASX:FRI) (Finbar or the Company), is pleased to provide an update on projects currently under construction and completed stock, along with a profit guidance for the year ended 30 June 2023.

### CIVIC HEART – SOUTH PERTH (UNDER CONSTRUCTION)

Construction at the Company's flagship Civic Heart project continues to progress efficiently with the 22 level Mends Street structure and roof feature completed.

The larger Mill Point Tower structure has reached level 21 of 38 with internal walling reaching level 10 and tiling completed a few floors below to level 8.

It is anticipated the Civic Heart structure will be entirely completed by Christmas 2023 with the goal to provide handover and achieve settlements towards the end of the current (FY2024) financial year.

**Sold to date: \$ 224.7 million**  
**Total est. end sales value: \$ 427.8 million**

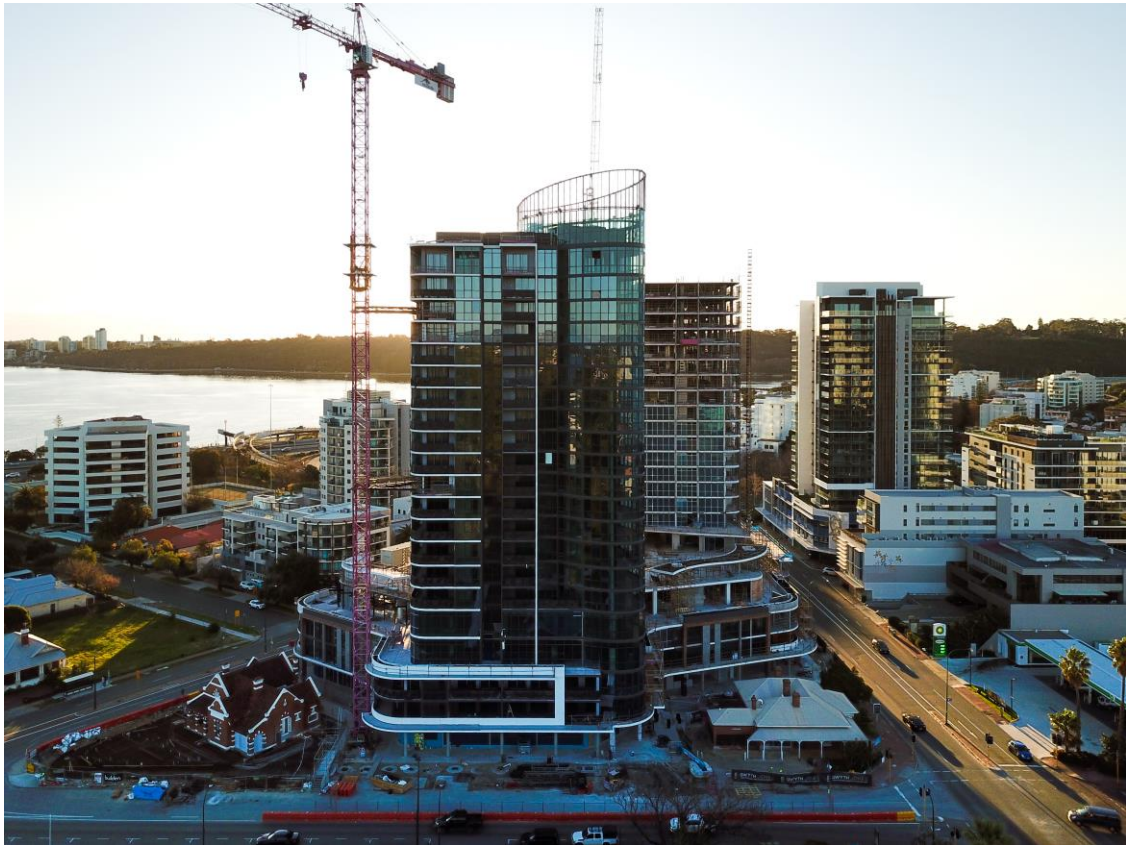


ABOVE: View to West showing Mends Street tower (left of picture) completed, and Mill Point Tower structure (right of picture) reaching level 21 of 38.



ABOVE: Looking North. Pool deck with luxury resort facilities visible between the two towers.





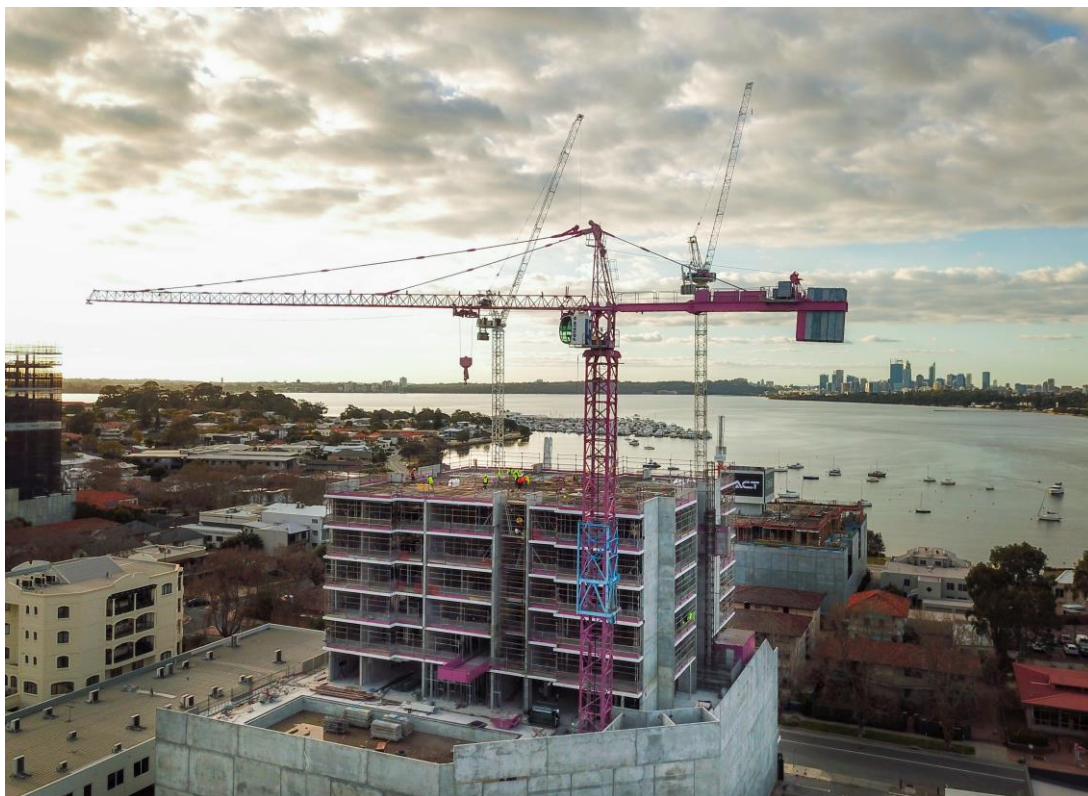
**ABOVE:** Looking North West, heritage buildings in foreground left (future restaurant/bar) and right (fine jewellery). Roof feature for Mends Street tower visible.

## **AURORA – APPLECROSS (UNDER CONSTRUCTION)**

Progress for the structure at Aurora continues efficiently with the structure now completed to level 11 of the 25 level structure, with structural completion expected in November 2023.

Aurora is currently targeting completion at the end of the current financial year (FY2024) in similar timing to Civic Heart.

**Sold to date:                      \$ 55.0 million**  
**Total est. end sales value: \$ 146.0 million**



ABOVE: Looking North to City over Swan River.



ABOVE: Looking South down the Canning River. Sabina (stage 1 – completed 2020) in the immediate background.



## THE POINT – RIVERVALE (UNDER CONSTRUCTION)

Construction progress at The Point is currently tracking behind the scheduled program however the structure has now reached the final podium floor (level 3) at which point the first typical floor begins. This will see an acceleration of structural progress in the months ahead with the 21 level structure now targeting completion in February with practical completion now expected to occur in the first half of FY2025.

**Sold to date:** \$ 74.8 million  
**Total est. end sales value:** \$ 105.5 million



ABOVE: The Point, final podium level before typical floor commences.

## AT238 – PERTH (COMPLETED STOCK)

\$48 million in sales have settled to date at the Company's completed AT238 project with \$6.9 million in additional sales achieved which have not yet settled.

<b>Sold to date:</b>	<b>\$ 54.6 million</b>
<b>Settled to date:</b>	<b>\$ 47.7 million</b>
<b>Total est. end sales value:</b>	<b>\$ 100.9 million</b>

## DIANELLA APARTMENTS (COMPLETED STOCK)

Only one apartment remains to be sold at the Company's Dianella Apartments project.

<b>Sold to date:</b>	<b>\$ 62.0 million</b>
<b>Settled to date:</b>	<b>\$ 62.0 million</b>
<b>Total est. end sales value:</b>	<b>\$ 62.5 million</b>

## FULL YEAR GUIDANCE TO 30 JUNE 2023 & OUTLOOK

Despite completing the AT238 project during FY23, the company continues to face challenging trading conditions, primarily due to well-publicised cost impacts in the building sector which have now begun to stabilise but are not expected to reduce significantly, if at all. Additionally, the current environment of higher interest rates and the expectation of further increases have dampened sales activity as anticipated.

Moreover, during the financial year, the company experienced a \$3 million impairment in the Fairlanes commercial investment property brought about by pressure on commercial property capitalisation rates due to higher cost of funds in the commercial sector.

As a result of these factors, the company anticipates reporting a profit of \$2.75 million after tax for the full year ending on June 30, 2023.

Looking ahead, we remain optimistic that conditions will improve with interest rate stability as the residential property buyer adapts to a cost of funds that is closer to long-term averages.

Furthermore, we are encouraged by the prospects of high population growth in Perth, coupled with a reduction in supply which historically has benefited Finbar due to our ability to develop through the property cycles and deliver completed stock in times of constrained competitive activity. These demographic trends are already creating an upswing in pricing for residential property which will lead to improved margins and ultimately support the viability of our new project launches.

As we navigate through these unusual post-pandemic challenges, we look forward to the completion of two major projects in FY2024 with Civic Heart and Aurora as referred to above, and the return of the significant amount of shareholder capital invested in these projects over the next 12 months and beyond. Our company will be conducting a capital management review on the completion of Civic Heart and Aurora to ensure shareholder value is maximised for our patient investors.

- ENDS -

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Finbar Group Limited, its controlled entities and its jointly controlled entities, is a property development company whose core business lies in the development of medium to high density residential apartments and commercial property within the Perth Metropolitan Area within the State of Western Australia.